

State of Idaho

Legislative Services Office

Management Report

A communication to the Joint Finance-Appropriations Committee

IDAHO TRANSPORTATION DEPARTMENT

FY 2007, 2008, AND 2009

Report IC29009
Date Issued: September 7, 2010

Serving Idaho's Citizen Legislature



Idaho Legislative Services Office
Legislative Audits Division

Don H. Berg, CGFM, Manager

IDAHO TRANSPORTATION DEPARTMENT

SUMMARY

PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Idaho Transportation Department covering the fiscal years ended June 30, 2007, 2008, and 2009. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion, but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

CONCLUSION

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the Department. However, our review identified issues with authorization and funding of the State airplane.

FINDINGS AND RECOMMENDATIONS

There is one finding and recommendation in this report.

FINDING 1 – Authority and funding for the State airplane is not specifically provided in Idaho Code or identified in appropriations from the State Highway and Aeronautics Funds.

The complete finding is detailed on pages 1 through 2.

AGENCY RESPONSE

The Department has reviewed the report and does not concur with the current finding. The Department's complete response is detailed on pages 5 through 9.

PRIOR FINDINGS

There was one finding and recommendation in the prior report.

Prior Finding 1 – The cost effectiveness and need for three State-owned aircraft should be analyzed.

We recommended that the Department complete a comprehensive analysis of aircraft operations to determine whether ownership is reasonable and necessary, and whether other alternatives are available that meet the State's needs and are more cost effective.

The Division of Aeronautics completed the comprehensive analysis as directed. **Status: CLOSED**

FINANCIAL INFORMATION

The following financial data is for informational purposes only.

IDAHO TRANSPORTATION DEPARTMENT – FISCAL YEAR 2009

Fund #	Fund Name	Beginning Cash and Investments	Receipts	Net Transfers	Disbursements	Ending Cash and Investments
0221	State Aeronautics	\$1,420,893	\$920,190	\$1,816,016	\$2,671,744	\$1,485,355
0259-01	Local Highway Distribution	28,749,449	502,414	118,387,440	120,023,412	27,615,891
0259-03	Local Bridge Inspection	300,885	8,097	100,000	155,837	253,145
0259-04	Railroad Grade Crossing Protection	831,605	22,596	250,000	180,250	923,951
0260	State Highway Account	126,021,976	277,145,302	121,195,979	452,052,819	72,310,438
0260-46	State Highway Title XII ARRA	0	349,876	0	365,248	(15,372)
0261	Highway Distribution Account	0	106,433,593	(106,297,283)	136,310	0
0262	Plate Manufacturing	2,158,346	2,637,908	0	2,807,337	1,988,917
0277	Abandoned Vehicle Trust	45,793	3,130	0	2,903	46,020
0374	Garvee Capital Project	51,423	171,392,504	0	171,300,007	143,920
0375	Garvee Debt Service	2,134	19,382	56,361,642	42,375,683	14,007,475
0513	Local Highway Trust	2,430,962	2,405,666	0	2,035,170	2,801,458
0576	Motor Vehicle Trust	3,078,117	12,579,654	0	9,668,667	5,989,104
	TOTAL	\$165,091,583	\$574,420,312	\$191,813,794	\$803,775,387	\$127,550,302

OTHER INFORMATION

We discussed other issues which, if changed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho, the Idaho Transportation Department, and the Idaho Transportation Board, and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the director, Brian Ness, and his staff.

ASSIGNED STAFF

Chris Farnsworth, CPA, Managing Auditor

James Combo, CPA, In-Charge Auditor

Mark Schoenfeld, Staff Auditor

Eric Bjork, Staff Auditor

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FINDING AND RECOMMENDATION

FINDING 2009S-1

Authority and funding for the State airplane is not specifically provided in Idaho Code or identified in appropriations from the State Highway and Aeronautics Funds.

The Department owns and operates a twin-engine passenger airplane that is used primarily to provide charter services to State agency personnel and elected State officials. No specific authority exists in Idaho Code, administrative rules, or elsewhere that identifies the Department's purpose or responsibilities for operating the airplane. Agencies and State officials who use the airplane are billed a fee, but the rates charged are not sufficient to cover the operating and maintenance costs. Costs in excess of fees collected are paid from the State Highway and Aeronautics Funds.

During fiscal year 2009, the State Highway Fund paid \$413,000 to rebuild one of the two engines on the airplane, and the Aeronautics Fund paid \$245,000 in operating costs not covered by the fees collected. Although the fiscal year 2009 budget request from the State Highway Fund included \$324,900 for "air pool" in the capital replacement category, no decision unit or specific language was included in the appropriation bill to provide funding from either the State Highway or Aeronautics Funds to operate the State airplane.

Questions also exist as to the availability of funds within the State Highway and Aeronautics Funds for purposes other than those provided in the State Constitution and Idaho Code. The State Constitution (Article VII, Section 17) limits the use of highway-user revenues to highway construction and maintenance, and Idaho Code (Section 40-707(3)) restricts the use of all funds in the State Highway Fund to the purpose of defraying the costs incurred in carrying out the powers and duties of the highway board as provided by law. The Aeronautics Fund has similar restrictions and limits in Idaho Code (Section 21-211), and no mention is made in any section of the code for the highway board or the Department to operate a passenger airplane service.

If an appropriation for the State airplane is requested from either the State Highway or Aeronautics Funds, additional legal analysis should be considered to ensure that such use is within the limits established in the State Constitution and Idaho Code.

AGENCY'S RESPONSE

The Department does not concur with the finding, based on the chronological listings below.

RECOMMENDATION

We recommend that the Department clarify the authority and funding issues in regard to operating the State airplane service through appropriate executive order, administrative rule, and/or legislation.

AGENCY'S CORRECTIVE ACTION PLAN

The Department will comply with the recommendation.

The Idaho Legislature has, for over 10 years, supported ITD's strategy for funding the State aircraft. Professionals from both the Division of Financial Management and the Legislative Services Office have also supported ITD's methodology of

managing the State aircraft. The ITD Board has directed department staff to provide for a stable State aircraft operation.

Listed below is a chronological list (oldest first) of significant events supporting ITD's management of the State aircraft.

Fifty-fifth Legislature
LEGISLATURE OF THE STATE OF IDAHO
First Regular Session - 1999
IN THE HOUSE OF REPRESENTATIVES
HOUSE BILL NO. 379

SECTION 5. The Idaho Transportation Department is authorized to transfer up to \$71,300 from the State Highway Fund to the State Aeronautics Fund during the fiscal year. It is legislative intent that the moneys transferred be used to offset operating costs of the aircraft pool program or be used to establish a reserve for capital replacement costs of the aircraft pool program. The department shall prepare a progress report regarding the status of the air-craft pool program for presentation to the Joint Finance-Appropriations Committee during the Second Regular Session of the Fifty-fifth Idaho Legislature.

03/24/1999 Governor signed
Session Law Chapter 269
Effective: 07/01/99

Fifty-fifth Legislature
LEGISLATURE OF THE STATE OF IDAHO
Second Regular Session - 2000
IN THE SENATE
SENATE BILL NO. 1540

SECTION 4. The Idaho Transportation Department is authorized to transfer up to \$71,300 from the State Highway Fund to the State Aeronautics Fund during the fiscal year. It is legislative intent that the moneys transferred be used to offset operating costs of the aircraft pool program or be used to establish a reserve for capital replacement costs of the aircraft pool program.

03/22/2000 Governor signed
Session Law Chapter 45
Effective: 07/01/00

Fifty-sixth Legislature
LEGISLATURE OF THE STATE OF IDAHO
First Regular Session - 2001
IN THE SENATE
SENATE BILL NO. 1184

SECTION 4. The Idaho Transportation Department is authorized to transfer up to \$71,300 from the State Highway Fund to the State Aeronautics Fund during the fiscal year. It is legislative intent that the moneys transferred be used to offset operating costs of the aircraft pool program or be used to establish a reserve for capital replacement costs of the aircraft pool program.

03/28/2001 Governor signed
Session Law Chapter 218
Effective: 07/01/01

REPORT TO LEGISLATIVE CHAIRS Honorable Evan Frasure, Honorable JoAn Wood, Honorable Dean Cameron, and Honorable Maxine Bell, concerning 'unrestricted' revenue administered by ITD – see attached. Report team members included Jeff Shinn and David Hahn of Division of Financial Management and Ray Houston of the Legislative Services Office.

11/20/2001

Fifty-sixth Legislature
LEGISLATURE OF THE STATE OF IDAHO
Second Regular Session - 2002
IN THE SENATE
SENATE BILL NO. 1510

SECTION 4. The Idaho Transportation Department is authorized to transfer up to \$71,300 from the State Highway Fund to the State Aeronautics Fund during the fiscal year. It is legislative intent that the moneys transferred be used to offset operating costs of the aircraft pool program or be used to establish a reserve for capital replacement costs of the aircraft pool program.

03/21/2002 Governor signed
Session Law Chapter 201
Effective: 07/01/02

Fifty-seventh Legislature
LEGISLATURE OF THE STATE OF IDAHO
First Regular Session - 2003
IN THE SENATE
SENATE BILL NO. 1186

SECTION 4. The Idaho Transportation Department is authorized to transfer up to \$71,300 from the State Highway Fund to the State Aeronautics Fund during the fiscal year. It is legislative intent that the moneys transferred be used to offset operating costs of the aircraft pool program or be used to establish a reserve for capital replacement costs of the aircraft pool program.

04/30/2003 Governor signed
Session Law Chapter 325
Effective: 07/01/04

Fifty-seventh Legislature
LEGISLATURE OF THE STATE OF IDAHO
Second Regular Session - 2004
IN THE SENATE
SENATE BILL NO. 1381

SECTION 4. The Idaho Transportation Department is authorized to transfer up to \$71,300 from the State Highway Fund to the State Aeronautics Fund during the fiscal year. It is legislative intent that the moneys transferred be used to offset operating costs of the aircraft pool program or be used to establish a reserve for capital replacement costs of the aircraft pool program.

03/16/2004 Governor signed
Session Law Chapter 64
Effective: 07/01/04

ITD BOARD authorizes the ITD Director to make necessary business decisions to provide a stable State Aircraft Operation.

11/18/2004

DEPUTY ATTORNEY GENERAL OPINION concerning the Air Pool Program

In a memorandum concerning the Air Pool Program, Idaho Deputy Attorney General Karl Vogt concluded "It is my opinion that the Department is legally able to include in its budgeting and appropriation request to the Legislature, funding of the Division of Aeronautics . . . from the State Highway Account at levels discussed in the November 2001 Memorandum."

5/3/2006

Fifty-ninth Legislature
LEGISLATURE OF THE STATE OF IDAHO
IN THE SENATE
SENATE BILL NO. 1240
First Regular Session - 2007

SECTION 1 IV. \$7,000 was appropriated in TRFD Highways Operations for a propeller for the Cessna 182.

04/05/2007 Governor signed
Session Law Chapter 369
Effective: 07/01/07

Fifty-ninth Legislature
LEGISLATURE OF THE STATE OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
HOUSE BILL NO. 666
Second Regular Session - 2008

SECTION 1 IV. \$324,900 was appropriated in TRFD Highways Operations for a left engine overhaul and right propeller overhaul on the King Air aircraft.

04/01/2008 Governor signed
Session Law Chapter 360
Effective: 07/01/08

Sixtieth Legislature
LEGISLATURE OF THE STATE OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
HOUSE BILL NO. 311
First Regular Session - 2009

SECTION 1 IV. \$44,300 was appropriated in TRFD Highways Operations for two courtesy cars, a Cessna 206 Autopilot, and a VHF Base Station Radio.

05/01/2009 Governor signed
Session Law Chapter 269
Effective: 07/01/09

Sixtieth Legislature
LEGISLATURE OF THE STATE OF IDAHO
IN THE SENATE
SENATE BILL NO. 1426
Second Regular Session - 2010

SECTION 1 IV. \$370,600 was appropriated in TRFD Highways Operations for a right engine overhaul for the King Air aircraft.

04/12/2010 Governor signed
Session Law Chapter 328
Effective: 07/01/10

AGENCY RESPONSE



IDAHO TRANSPORTATION DEPARTMENT

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August 10, 2010

Don H. Berg, CGFM, Manager
Legislative Audits Division
P.O. Box 83720
Boise, Idaho 83720-0054

Subject: ITD Response to Management Report Review of Fiscal Years 2007, 2008 & 2009

Dear Mr. Berg,

We appreciate the work performed by you and your staff for the Idaho Transportation Department in conjunction with the management review of the ITD for the fiscal years ending June 30, 2007, 2008, and 2009. This work resulted in your draft report of August 2, 2010 noting one finding and one recommendation related to the funding of State airplane costs.

Finding: Authority and funding for the State airplane is not specifically provided in Idaho Code or identified in appropriations from the State Highway and Aeronautics Funds.

Response: The Department does not concur with the Finding based on the chronological listings below.

Recommendation: We recommend that the Department clarify the authority and funding issues in regard to operating the State airplane service through appropriate executive order, administrative rule, and/or legislation.

Response: The Department will comply with the recommendation.

The Idaho Legislature has for over 10 years supported ITD's strategy for funding the state aircraft. Professionals from both the Division of Financial Management and the Legislative Services Office have also supported ITD's methodology of managing the state aircraft. The ITD Board has directed department staff to provide for a stable State Aircraft Operation.

Listed below is a chronological list (oldest first) of significant events supporting ITD's management of the state aircraft.

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Session Law Chapter 201

Effective: 07/01/02

LEGISLATURE OF THE STATE OF IDAHO

Fifty-seventh Legislature

First Regular Session - 2003

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04/30/2003 Governor signed

Session Law Chapter 325

Effective: 07/01/04

LEGISLATURE OF THE STATE OF IDAHO

Fifty-seventh Legislature

Second Regular Session - 2004

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03/16/2004 Governor signed

Session Law Chapter 64

Effective: 07/01/04

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May 03, 2006

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Fifty-ninth Legislature

First Regular Session - 2007

**IN THE SENATE
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SECTION 1 IV. \$7,000 was appropriated in TRFD Highways Operations for a propeller for the Cessna 182.

04/05/2007 Governor signed

Session Law Chapter 369

Effective: 07/01/07

LEGISLATURE OF THE STATE OF IDAHO

Fifty-ninth Legislature

Second Regular Session - 2008

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HOUSE BILL NO. 666**

SECTION 1 IV. \$324,900 was appropriated in TRFD Highways Operations for a left engine overhaul and right propeller overhaul on the King Air aircraft.

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Session Law Chapter 360

Effective: 07/01/08

Sixtieth Legislature

LEGISLATURE OF THE STATE OF IDAHO

First Regular Session - 2009

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HOUSE BILL NO. 311

SECTION 1 IV. \$44,300 was appropriated in TRFD Highways Operations for two courtesy cars, a Cessna 206 Autopilot, and a VHF Base Station Radio.

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Effective: 07/01/09

LEGISLATURE OF THE STATE OF IDAHO

Sixtieth Legislature
IN THE SENATE

Second Regular Session - 2010

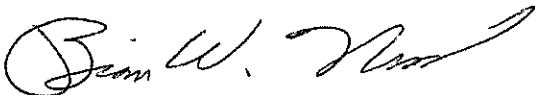
SENATE BILL NO. 1426

SECTION 1 IV. \$370,600 was appropriated in TRFD Highways Operations for a right engine overhaul for the King Air aircraft.

04/12/2010 Governor signed
Session Law Chapter 328
Effective: 07/01/10

Again, thank you for the Management Report for FY 2007, 2008, and 2009.

Sincerely,



BRIAN W. NESS
Director

Attachments

Bcc: Board Members, Idaho Transportation Department
Sue Higgins, Board Secretary
Dave Tolman, ADA
Gordon Wilmoth, Controller
JV DeThomas, AA
Carri Rosti, IRM
Joel Drake, SBA

APPENDIX

STATUTORY AUTHORITY, HISTORY, AND PURPOSE

Statutory authority for the Idaho Transportation Department is found in Idaho Code, Title 40, Chapter 1. The Department's primary purpose is to construct and maintain highways within the State through the Division of Highways. The construction program includes federally-funded projects, as well as 100% of State-funded projects. The maintenance program encompasses the preservation, maintenance, and restoration of highways, structures, and traffic facilities on the State highway system. The Department is also responsible for operation of the State's ports-of-entry system, as well as serving as an intermediary for federal funds made available for local urban mass transit development. Department divisions include Administration, Highways, Public Transportation, Motor Vehicles, Transportation Planning, and Aeronautics. The Division of Aeronautics assists with the development and maintenance of certain airport facilities and conducts searches for missing aircraft.

During Idaho's territorial period, from 1863 to statehood in 1890, every roadway was funded by a separate act of the legislature. From 1890 to 1913 (when the first Highway Commission and a statewide road system were established by the legislature) an average of \$27,500 per year was authorized for bonds to be issued for construction of roads and bridges. The Highway Commission had five members.

In 1919, the legislature adopted a cabinet form of government and abolished the State Highway Commission. Authority over State highways was vested in the Bureau of Highways under the Department of Public Works.

In 1951, the legislature established a three-member board. The Board was expanded to seven members, effective July 1, 1995. Members of this part-time, bipartisan board are appointed to staggered six-year terms by the Governor and are confirmed by the Senate.

Idaho State government was reorganized in 1974, and the Department of Highways was renamed the Idaho Transportation Department. As a result of this reorganization, the Department of Aeronautics was placed under the Idaho Transportation Department and renamed the Bureau of Aeronautics. Subsequently, the Bureau of Aeronautics was renamed the Division of Aeronautics. On July 1, 1982, the Motor Vehicle Bureau was transferred to the Idaho Transportation Department from the Department of Law Enforcement (now Idaho State Police). The Bureau, which includes motor vehicle services, commercial vehicle services, and driver services, was renamed the Division of Motor Vehicles in fiscal year 1995.

FUNDING

The Idaho Transportation Department is funded by State and federal funds. State funding is provided through a formula that distributes highway users' revenue among the Department, the State's 44 counties, incorporated cities, and local highway districts. Federal funding is based on the State's population, land area, and road mileage.

ORGANIZATION

A seven-member, part-time bipartisan Board directs the Idaho Transportation Department. The Board selects and appoints a director, who functions as chief administrative officer under the policies established by the Board. The Department has district offices located in Boise, Coeur d'Alene, Lewiston, Pocatello, Rigby, and Shoshone. The headquarters office in Boise provides

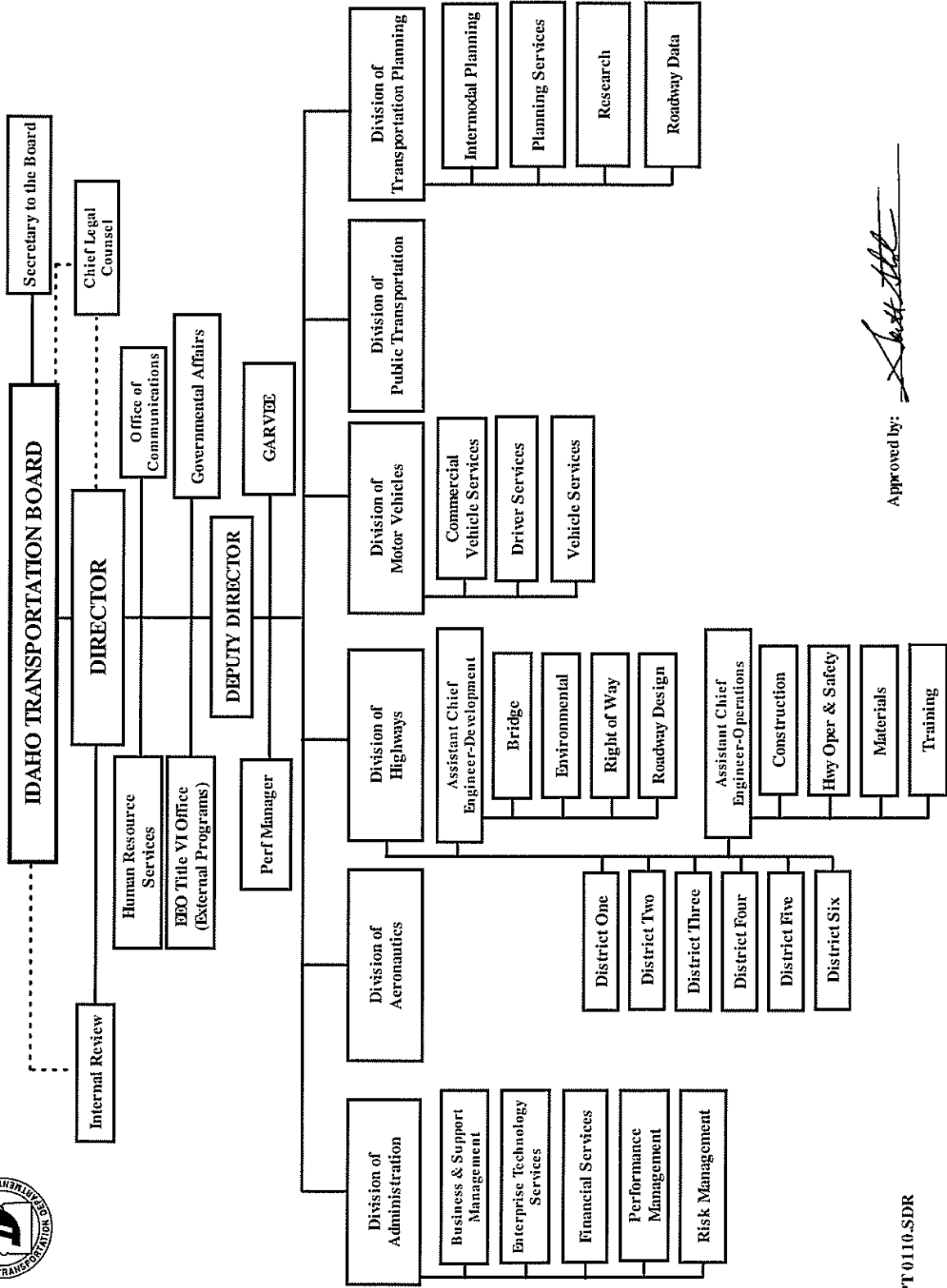
management, planning, engineering, right-of-way acquisition, legal, accounting, information technology, and other administrative services. It also oversees the motor vehicle, commercial vehicle, driver services, ports-of-entry, highway safety, aeronautics, and public transportation functions.

An organizational chart is included on the following page.




IDAHO TRANSPORTATION DEPARTMENT ORGANIZATION COMPLEMENT

Chart Revised 01/10



DEPT 0110.SDR

Approved by: 

FUND DESCRIPTIONS

STATE AERONAUTICS FUND 0221

Sources – The State Aeronautics Fund receives money from aviation fuel taxes levied on all aircraft engine fuel sold in Idaho, at the rate of 7¢ per gallon of aviation gasoline, and 6¢ per gallon of jet fuel (I.C. § 63-2408). Funds are also received from licensing and registering aircraft and airmen, and from any fines or penalties imposed (I.C. § 21-211). Federal aid is deposited in this fund as reimbursement of statewide airport planning costs. Receipts are also collected to offset the use of State-owned aircraft by other State agencies and interest earned on the invested fund balance.

Uses – This fund is used to further develop, administer, and enforce the laws relating to aviation. It is also used to fund grants to airports, maintain State-owned airports, and operate State-owned aircraft.

LOCAL HIGHWAY DISTRIBUTION FUND 0259-01

Sources – This is a special fund for local governments' share of the highway users' revenue. Money is transferred to this fund monthly by the State Controller's Office from the Highway Distribution Fund (I.C. § 40-701). Interest earned on the invested fund balance is credited to the fund.

Uses – The apportionment of these funds is described in I.C. § 40-709. Each calendar quarter, three hundred twenty-six thousandths of one percent (0.326%) is apportioned to the Local Highway Technical Assistance Council, and the balance is distributed to local governments. Distribution of these funds to local governments is apportioned at 30% to incorporated or specially chartered cities that maintain roads based on population, and 70% to counties and highway districts. Of the portion going to counties and highway districts, 10% is divided equally among the State's 44 counties, 45% is divided based on the dollar proportion of motor vehicle registrations, and 45% is divided based on the proportion of improved road miles.

LOCAL BRIDGE INSPECTION FUND 0259-03

Sources – The Local Bridge Inspection fund receives \$100,000 each year from the motor fuels tax to promote the safety of bridges on local public highways (I.C. § 63-2412). Interest earned on the invested fund balance is credited to the fund.

Uses – The money pays the local matching share of federal funds available for periodic inspections of bridges (I.C. § 40-703).

RAILROAD GRADE CROSSING PROTECTION FUND 0259-04

Sources – The Railroad Grade Crossing Fund receives \$250,000 each year from the motor fuels tax to promote safety at railroad crossings (I.C. § 63-2412). Interest earned on the invested fund balance is credited to the fund.

Uses – This fund is used to pay all or part of the cost to install, reconstruct, maintain, or improve automatic or other safety devices and signals at railroad crossings (I.C. § 62-304A).

STATE HIGHWAY FUND 0260

Sources – The State Highway Fund (I.C. § 40-702) receives most of its State funding from the Highway Distribution Fund (0261), according to the provisions of I.C. § 40-701. This funding is primarily from motor fuel taxes and vehicle registration fees. Federal aid is deposited in this fund as reimbursement of approved State expenditures for construction and highway improvement. Local and private money is deposited in this fund under joint contracts with federal, local, State, and private sources for construction and improvement of transportation systems. Other funding includes miscellaneous receipts for sale of equipment, services, supplies, right-of-way permits, and interest earned on the invested fund balance.

Uses – This fund is used to pay for constructing, maintaining and administering the State highway system. State funds are used to match federal funds. The fund also pays operating costs for the Division of Motor Vehicles to administer the registration and licensing program.

STATE HIGHWAY TITLE XII ARRA FUND 0260-46

Sources – The State Highway Title XII ARRA Fund receives its funding from FHWA reimbursement for personnel, operating, construction capital outlay, and trustee and benefit expenditures relating to Section 10 of House Bill 31, sixtieth legislature first regular session 2009, signed into law May 1, 2009.

Uses – This fund is used to pay personnel, operating, construction capital outlay, and trustee and benefit expenditures relating to Title XII American Recovery and Reinvestment Act of 2009 and Section 10 of House Bill 311, sixtieth legislature first regular session 2009, signed into law May 1, 2009.

HIGHWAY DISTRIBUTION FUND 0261

Sources – The Highway Distribution Fund includes State highway users' revenue collected under the following provisions:

1. Gasoline tax (I.C. §§ 63-2402 and 63-2405), less:
 - a. State Tax Commission administrative costs and refunds (I.C. § 63-2412).
 - b. Railroad grade crossing costs (I.C. § 63-2412).
 - c. Local bridge inspections costs (I.C. § 63-2412).
 - d. 1.28% to Waterways Improvement, Parks and Recreation Capital Improvements, and Search and Rescue Funds (I.C. § 63-2412(e)(1)).
 - e. 1.28% to Off-Road Vehicles, Parks and Recreation Capital Improvements, and Search and Rescue Funds (I.C. § 63-2412(e)(2)).
 - f. 0.44% to the Parks and Recreation Capital Improvement Fund for roads and bridges (I.C. § 63-2412(e)(3)).
2. Special fuel tax, less State Tax Commission administrative costs and refunds (I.C. § 63-2418).
3. Special fuel permits and decals (I.C. § 63-2438).
4. Motor fuels penalties, interest, and fines (I.C. § 63-2441).
5. Vehicle registrations (I.C. §§ 49-402, 49-422, and 49-434).
6. 120-hour and single-trip permits (I.C. § 49-432).
7. Operator licenses (I.C. § 49-306) less distributions to:
 - a. Counties (I.C. § 49-306(6)).
 - b. EMS (I.C. § 49-306(8)).
 - c. Driver's training (I.C. § 49-306(8)).

8. Commercial Vehicle Registration I.C. § 49-434).
9. Plate fees (I.C. § 49-450), less distributions to the Plate Manufacturing Fund (I.C. § 49-450).
10. Excess weight permits (I.C. § 49-1002), dealers' plates, stickers, and temporary registration permits (I.C. §§ 49-523 and 49-1004).
11. Fines (I.C. § 19-4705 and 49-239), less amounts retained by cities and counties (I.C. § 19-4705).
12. Interest earned on the invested fund balance.

Uses – This fund is used to collect and distribute highway users' revenue according to the provisions of I.C. § 40-701. The net revenue in this fund is distributed 57% to the State Highway Fund (0260), 38% to the Local Highway Distribution Fund (0259-01), and 5% to the Idaho Law Enforcement Fund (0264).

PLATE MANUFACTURING FUND 0262

Sources – When a license plate is issued for vehicle registration, a fee of \$3.00 per plate is deposited in this fund (I.C. § 49-450). Interest earned on the invested fund balance is credited to this fund.

Uses – The amount collected for the "Heritage Plate" (50¢ from each plate) is used to pay the Idaho Heritage Trust for use of the copyrighted design provided for in I.C. § 49-443(1), and the actual costs of producing and manufacturing the plate. The remainder is deposited in the Highway Distribution Fund. The Plate Manufacturing Fund is continuously appropriated (I.C. § 49-450A).

ABANDONED VEHICLE FUND 0277

Sources – This fund receives the proceeds from any sale of abandoned vehicles after satisfaction of all liens and costs of conducting the sale (I.C. § 49-1818(1)).

Uses – This fund is continuously appropriated to satisfy allowable claims and reimburse costs to administer the provisions of Chapter 18, Title 49, Idaho Code.

GARVEE CAPITAL PROJECT FUND 0374

Sources – This fund receives its funding by drawing against the bond proceeds account maintained by the bond funding trustee.

Uses – This fund is used to pay all valid claims related to GARVEE projects.

GARVEE DEBT SERVICE FUND 0375

Sources – This fund receives its funding from the State Highway Account 0260. The State share of the semi-annual principal and interest payments to the bondholders is transferred monthly from Fund 0260 to Fund 0375. The FHWA share of the semi-annual principal and interest payments to the bondholders is billed and transferred semi-annually from Fund 0260 to Fund 0375.

Uses – This fund is used to pay the bond funding trustee the amounts required by the bond funding trustee to make semi-annual principal and interest payments to the bondholders.

LOCAL GOVERNMENT SUSPENSE FUND 0513

Sources – The Local Government Suspense Fund receives money submitted by local government agencies to cover their share of preliminary engineering, right-of-way, and construction on local projects. The money is transferred to the State Highway Fund when work on the project begins. Interest earned on the invested fund balance is credited to the fund.

Uses – This fund is used to pay the local match on highway projects. The interest is distributed among the projects. If the project is canceled, the funds are returned to the local government.

MOTOR VEHICLE SUSPENSE FUND 0576

Sources – The Motor Vehicle Suspense Fund holds jeopardy assessments, bonds, and overpayments made by motor carriers, as well as registration fees collected for other states under the International Registration Plan. It is also a temporary holding fund until the money can be distributed to the proper funds.

Uses – Money collected on behalf of other states is paid to those states, posted bond money is returned when appropriate, and the temporarily held money is disbursed or transferred when the disposition of the funds has been determined.